

## CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number \_\_\_\_\_

Meeting Type: Regular

Meeting Date: 11/15/2012

Action Requested By:  
Community  
Development

Agenda Item Type  
Resolution

Subject Matter:

DownPayment Assistance Subordination

Exact Wording for the Agenda:

Resolution authorizing the Mayor to execute a Subordination Agreement between the City of Huntsville and CIS Financial Services Corporation in connection with HOME DAP Funds provided to Brian Yount, 3116 Delia Lane Huntsville, AL 35810.

**Note: If amendment, please state title and number of the original**

Item to be considered for: Action

Unanimous Consent Required: No

Briefly state why the action is required; why it is recommended; what Council action will provide, allow and accomplish and; any other information that might be helpful.

This resolution will allow the Brian Yount to refinance his primary mortgage loan and the City of Huntsville will remain in the second position. Brian Yount received \$5,000 in Community Development Downpayment Assistance (DAP) to assist him in purchasing a single family home. The loan amount is \$74,545 and there is no cash out.

Associated Cost: 0

Budgeted Item: Yes

MAYOR RECOMMENDS OR CONCURS: Select...

Department Head: \_\_\_\_\_



Date: 10/31/12

# ROUTING SLIP CONTRACTS AND AGREEMENTS

Originating Department: Community Development Council Meeting Date: 11/15/2012

Department Contact: Ken Benion Phone # 256-427-5427

Contract or Agreement: Agreement

Document Name: SUBORDINATION AGREEMENT

City Obligation Amount:

Total Project Budget:

Uncommitted Account Balance:




Account Number:

## Procurement Agreements

<u>Select...</u>	<u>Select...</u>
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## Grant-Funded Agreements

<b>Federal HUD</b>	<b>Grant Name:</b>
	<u>HOME Investment Partnership Grant</u>

Department	Signature	Date
1) Originating		<u>10/30/12</u>
2) Legal		<u>11/6/12</u>
3) Finance		<u>11/6/12</u>
4) Originating		
5) Copy Distribution		
a. Mayor's office (2 copies)		
b. Clerk-Treasurer (Original & 2 copies)		
c. Legal (1 copy)		

**RESOLUTION NO. 12-\_\_\_\_\_**

**WHEREAS**, the City of Huntsville, Alabama has made funds available, through the City's Downpayment Assistance Program (DAP) to assist Brian Yount with the down payment for the residence of 3116 Delia Lane Huntsville, AL 35811.

**WHEREAS**, there is a need for the City to subordinate its mortgage position.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Huntsville, Alabama, that the Mayor of the City of Huntsville is hereby authorized to execute a Subordination Agreement on behalf of the City of Huntsville, a municipal corporation in the state of Alabama, which said agreement is substantially in words and figures similar to that certain document attached hereto and identified as "SUBORDINATION AGREEMENT IN FAVOR OF CIS FINANCIAL SERVICES CORPORATION." consisting of two(2) pages, and the date appearing on the margin of the first page, together with the signature of the President or President Pro Tem of the City Council, an executed copy of said document being permanently kept on file in the Office of the City Clerk-Treasurer of the City of Huntsville.

**ADOPTED** this the 15<sup>th</sup> day of November, 2012.

\_\_\_\_\_  
President of the City Council of  
the City of Huntsville, Alabama

**APPROVED** this the 15th day of November, 2012.

\_\_\_\_\_  
Mayor of the City of Huntsville,  
Alabama

STATE OF ALABAMA  
COUNTY OF MADISON

**SUBORDINATION AGREEMENT IN FAVOR OF CIS FINANCIAL  
SERVICES CORPORATION**

THIS AGREEMENT is made and entered into on this the 15th day of November, 2012 by the **City of Huntsville, Alabama**, (hereby referred to as "City of Huntsville") in favor of **CIS Financial Services Corporation**, its successors and assigns, (hereinafter referred to as "Lender").

WHEREAS, City of Huntsville, Alabama hold a real estate mortgage against **Brian Yount**, a single man and **Nikki R. Gibson**, a single woman (the "Borrower", whether one or more), in the principal amount of \$5,000.00, filed on October 28th, 2009 in Document Number 20091029000681960, in the Office of Madison County, Alabama Judge of Probate; and

WHEREAS, the City has previously agreed to subordinate the said mortgage to the first lien mortgage; and

WHEREAS, **Brian Yount** has requested that Lender lend to him/her the sum of **\$74,545.00**, which loan will be evidenced by a Promissory Note in such amount executed by the Borrower in favor of the Lender (the "Note"). The Note is secured by a mortgage of the same date as the Note (the "Mortgage"). Lender and Borrower have requested that City of Huntsville execute this Agreement;

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City of Huntsville does hereby subordinate the lien and operation of that certain mortgage (and all amendments thereto) recorded in Document Number 20091029000681960, in the Office of Madison County, Alabama Judge of Probate, to the lien and operation of that certain mortgage executed by Brian Yount, a single man, in favor of CIS Financial Services Corporation in the principal amount of Seventy-four Thousand Five Hundred Forty-five and 00/100 Dollars (\$74,545.00) dated November \_\_\_\_\_, 2012, and recorded in Document Number \_\_\_\_\_, in the Office of the Madison County, Alabama Judge of Probate.

IN WITNESS WHEREOF, Borrower and the City of Huntsville, Alabama have caused this instrument to be executed on the day and date first above set forth.

\_\_\_\_\_  
Brian Yount, Borrower

\_\_\_\_\_  
**President of the City Council of the  
City of Huntsville, Alabama  
Date: November 15, 2012**

STATE OF ALABAMA  
COUNTY OF MADISON

I, the undersigned authority, a Notary Public in and for said County and State do hereby certify that Brian Yount, a single man, whose name is signed to the foregoing instrument, and who after being duly sworn and informed of the contents of said instrument, he/she executed the same voluntarily on day same bears date, with full power and authority to act for said entity.

Given under my hand and seal this the \_\_\_\_ day of \_\_\_\_\_, 2012.

SEAL

\_\_\_\_\_  
NOTARY PUBLIC  
My Commission Expires: \_\_\_\_\_

CITY OF HUNTSVILLE

\_\_\_\_\_  
Tommy Battle, Mayor

ATTEST:

\_\_\_\_\_  
Charles E. Hagood  
Clerk-Treasurer

STATE OF ALABAMA  
COUNTY OF MADISON

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Tommy Battle, Mayor of the City of Huntsville, Alabama and Charles E. Hagood, Clerk-Treasurer, whose names are signed to the foregoing Subordination Agreement and who are known to me, acknowledged before me on this date that, being informed of the contents of this Subordination Agreement, he/she executed the same voluntarily on the day the same bears date.

Given under my hand and official seal of office, this the \_\_\_\_ day of \_\_\_\_\_, 2012.

SEAL

\_\_\_\_\_  
NOTARY PUBLIC  
My Commission Expires: \_\_\_\_\_